

## **REMARKS**

### **Restriction Requirement**

Applicants note the restriction is made final, however they respectfully disagree with the Examiner's position that they have not specifically responded to the detailed explanation provided by the examiner as to why each group is considered *distinct* from the others.

As the Examiner noted, Group I is directed towards the overall method, Group II is directed towards a client computing device employed to practice the method claimed by Group I, and Group III is directed towards some of the processing performed by the billing service server, when practicing the method of Group I. Accordingly, the claim groups are clearly directed towards the same invention, as a whole or in part. In order for two or more subjects to be considered distinct, they must be patentable in part or in whole over each other. See MPEP § 801.01. Here, the use of a computing device claimed by Group II employed to practice the method claimed by Group I would not be patentable in part or in whole over Group I. Similarly, Group III merely further defines the invention by being directed at some of the processing performed by the billing service server. As such, Group III would not be patentable in part or in whole over Group I.

While applicants are withdrawing claims 26-32, 35-42, 53-55 and 58-60 pursuant to the restriction, withdrawal of this restriction requirement and reinstatement of these claims for examination on the merit is earnestly requested.

### **Claim Objections**

Claims 1, 8 and 9 have been amended to correct the minor informalities. In Claim 1, 'said second web site' now reads "a second web site." Claim 8 at line 5, "payment format said" now reads "payment format and said." In Claim 9 at line 9 "said firsts" now reads "said first."

### **101 Rejections**

In the subject action, claims 1-4, 6, 8, 10-13 and 20-25 stand rejected as being directed towards non-statutory subject matter and having no connection to the technological art. Further rejections were premised upon the assertion that the claims do not produce a useful, concrete and tangible result.

Applicants respectfully disagree with the interpretation that claims that are not associated with structure are per se non-statutory under 35 U.S.C. §101 guidelines. Many of the cases cited in the Office Action support the applicant's view. A process claim is statutory when it states certain things are to be done with "certain substances, and in a certain order; but the tools to be used in doing this may be of secondary consequence." See *Diamond v. Diehr*, 450 U.S. at 192, 209 USPQ 1, 10. (1981). A process employing an abstract idea is patentable subject matter even though an abstract idea would not, by itself, be entitled to such protection. See *State Street Bank & Trust Co. v. Signature Financial Group Inc.* 47 USPQ2d 1596, 1602 (1998). Statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group Inc.* 47 USPQ2d 1596, 1603 (1998). The discussion in *State Street* goes on to state that "[t]he question of whether a claim encompasses statutory subject matter should not focus on which of the four categories of subject matter a claim is directed to – process, machine, manufacture,

or composition of matter – but rather on the essential characteristics of the subject matter, in particular, its practical utility.” Id at 1603.

It appears, by focusing the discussion on some sort of nexus with “technological arts” the basis for the rejection focused on “some general, but no longer applicable legal principle, perhaps arising out of the ‘requirement for invention.’” The Supreme Court in *State Street* specifically stated, “[w]e take this opportunity to lay this ill-conceived exception to rest. Since its inception, the ‘business method’ exception has merely represented the application of some general, but no longer applicable legal principle, perhaps arising out of the ‘requirement for invention’—which was eliminated by Section 103. Since the 1952 Patent Act, business methods have been, and should have been, subject to the same legal requirements for patentability as applied to any other process or method.” Id at 1603.<sup>1</sup>

What we have here is a method (process) for conducting transactions on two separate web sites using two separate and distinct sets of billing data provided by a billing service. The practical utility (as shown in the specification) is that this allows a user to protect their private billing data by having an alternate billing data identity while engaging in transactions. (See at least page 5: 13-16 of applicants’ specification). The claim as currently amended provides a practicable utility and is therefore statutorily in accord with the *State Street* analysis.

While strongly traversing the Examiner’s position that a recitation of a “technological art” is needed, the Applicants assert an alternative rebuttal. It should be noted that in *ex parte Bowman* (an unpublished, non-judicial opinion) neither the specification nor the claims discuss the use of any technology with respect to the

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<sup>1</sup> The apparent use to the analysis of “technological arts” as implied by the 1978 *Toma* cite is improper or invalid pursuant to the Supreme court 1998 case, *State Street*.

claimed invention. See *ex parte Bowman* (Unpublished), 61 USPQ2d 1669, 1672 (2001). The concurring opinion of *Bowman* states that the principle articulated in *AT&T Corp. v. Excel Communications Inc.*, 172 F.3d 1352, 50 USPQ2d 1447 (Fed. Cir 1999) is that it “did not matter in that case whether the claimed invention is directed to a process or machine and that the scope of 35 U.S.C §101 is the same for either claimed invention (since both were disclosed).”<sup>2</sup> See *Bowman*, 61 USPQ2d 1674. In the present application, however, the specification provides a technological basis and context for the claims. The specification clearly states that Figure 1 illustrates a client in communication with a network, that attached to the network are multiple business web sites, and that the clients and business web sites are in communication through the same network with a billing service. (See at least page 5:18-24 and page 6:1-21). Therefore, *Bowman* is distinguished and is not applicable in the present matter.

For at least the reasons articulated above, Applicants once more urge the Examiner to withdraw the 35 U.S.C § 101 rejections against Claims 1-4, 6, 8, 10-13 and 20-25, as the claims are clearly directed towards “useful” things and, therefore, are directed towards statutory subject matter.

#### **Rejections under 35 sec 112, second paragraph**

The Examiner rejected Claim 79 under 35 USC 112, second paragraph, as being indefinite. Using claim 7 as an example, the Examiner reasoned that the “billing the user according to a private data from said first billing data” has no functional relationship to the limitation “paying for a transaction with said first web site according to said first payment format.” An additional deficiency asserted “is

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<sup>2</sup> Please note the phrase “(since both were disclosed)” was not in the text of *AT&T* and Applicants respectfully believe that it was in error to interpret the *AT&T* text in this fashion.

that no communication of first billing data is communicated to the web site (presumably of a billing entity) and that the billing the user is responsive to such communication.”

Applicants disagree with the analysis. First, the “paying for the transaction with said first web site according to said first payment format” is functionally related to the “said first web site requiring a first payment format.” Second, while the “billing the user...” is not functionally related to “paying for the transaction...” it is related to the method of Claim 1, from which Claim 7 depends. Since all parts of Claim 7 are functionally related to each other or to Claim 1 from which the claim depends, there is no “gap between the necessary structural connections.”

Moreover, the “communication of the first billing data” is not claimed here. This is not a “deficiency” but intentional. The applicants are entitled to claim all embodiments regardless of how the billing data is communicated. Any variety of approaches may be used to relay the billing data to the web site or from the billing service. The only elements of this claim are: (1) that the first web site requires a payment format, (2) that the user pays for a transaction according to that format; and (3) that the billing service bill the user using private billing data different from the first billing data introduced in claim 1.

Therefore, Claim 7 is not indefinite and the applicants respectfully request that the Examiner withdraw his objection to this claim under 35 U.S.C. 112, second paragraph.

Likewise, since Claim 8 was rejected for a similar deficiency as Claim 7, Claim 8 should be allowed under 35 U.S.C. 112, second paragraph.

Claim 9 was rejected on the assertion that there is insufficient antecedent basis for the limitation of “the user conducting transaction with the first web site” because Claim 1 only recites the process step of “providing a first billing data” which

recited “as being only intended to conduct transactions with a first web site.” Applicants disagree with this analysis of the language and grammar. The providing a first billing data is made by a “billing service.” This data is used by the user to conduct transactions with a first web site. The data is not conducting the transactions with the first web site – it is used by the user to conduct those transactions. Claim 9 merely limits and defines the transactions as the selecting of a product to purchase from that web site, and a computing device submitting the first billing data to the first web site to complete (facilitate) said purchase. All of the elements in Claim 9 have an appropriate antecedent basis. Therefore, the applicants respectfully request the Examiner withdraw his objection to this claim under 35 U.S.C. 112, second paragraph.

**Rejections of claims 1-4, 6-11, 17-25 and 43-52**

The Examiner maintained the rejections against claims 1-4, 6-11, 17-25 and 43-42 under 35 102(e) as being fully anticipated by Breck et al.

In response, Applicants submit herewith a declaration of the inventor in accordance with 37 CFR § 1.131, declaring under the penalty of perjury that Applicants conceived the invention prior to March 7, 2000, the effective date of Breck, and acted diligently thereafter, leading to the filing of the subject application on April 20, 2000. Additionally, Applicants further submit herewith the declaration of a witness in support of Applicants' own declaration.

Accordingly, Breck is an ineligible prior art reference.

Therefore, withdrawal of the rejections, and allowance of remaining pending claims 1-4, 6-11, 17-25, and 43-52 is respectfully requested.

**Rejections of claims 12-16**

Claims 12-16 are rejected under sec 103(a) as being obvious in view of Breck and Demoff combined. As noted above, Breck is an ineligible reference. Thus, claims 12-16 are patentable over Demoff.

**Claims 26-32, 35-42, 53-55 and 58-60**

On withdrawal of the restriction requirement, claims 26-32, 35-42, 53-55 and 58-60 are patentable, for at least the same reason(s), as the other pending claims earlier discussed.

**Conclusion**

In view of the foregoing, Applicants respectfully submit that elected claims 1-4 and 6-25, and 43-52, as well as provisionally withdrawn claims 26-32, 35-42, 53-55 and 58-60, are all in condition for allowance. Early issuance of the Notice of Allowance is respectfully requested.

Please charge any shortages and credit any overages to Deposit Account No. 500393.

Respectfully submitted,  
Schwabe, Williamson and Wyatt, P.C.

Date: 11/30/04

  
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